

Message Text

UNCLASSIFIED

PAGE 01 PARIS 19395 161426Z

46

ACTION TRSE-00

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08

CEA-02 L-03 H-03 PRS-01 PA-03 USIA-12 AGR-20 ABF-01

NEA-10 RSR-01 /199 W

----- 096424

R 161102Z JUL 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 1815

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD UNN

UNCLAS PARIS 19395

E.O. 11652: N/A

TAGS: EFIN, FR

SUBJECT: FRANC REVALUATION, PROSPECTS ON MONETARY SITUATION
AND TRADE NEGOTIATIONS

PASS TREASURY AND FEDERAL RESERVE

1. FINANCE MINISTER VALERY GISCARD D'ESTAING REPORTED
JULY 13 FOLLOWING MEETING AT ELYSEE PALACE THAT
PRESIDENT POMPIDOU HAD CONFIRMED HIS TOTAL OPPOSITION TO
FRANC REVALUATION. THIS IS RESPONSE TO RUMORS THAT SOME
MAJORITY POLITICIANS, AND POSSIBLY PRESIDENT, FAVORED
REVALUATION.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 19395 161426Z

2. IS INTERVIEW WITH U.S. NEWS AND WORLD REPORT
PUBLISHED JULY 15 GISCARD MADE FOLLOWING POINTS:

A. U.S. INTERVENTION TO SUSTAIN DOLLAR. "THE AMERICANS HAVE MADE NO COMMITMENT TO US BUT HAVE INDICATED THEY WOULD INTERVENE WHENEVER MARKET TRENDS SEEM TO MAKE IT POORTUNE. I PERSONALLY BELIEVE THEY SHOULD DO SO." HE REPEATED HIS VIEW THAT REAL VALUE OF DOLLAR HIGHER THAN PRESENT MARKET VALUE, AND NOTED THAT IMPORTANCE U.S. ECONOMY WOULD INSURE DOLLAR AN IMPORTANT ROLE IN NEW MONETARY SYSTEM, BUT NOT KEY ROLE.

B. INTERNATIONAL MONETARY REFORM WILL TAKE TIME. NO PROGRESS WILL BE MADE IN WASHINGTON , ANY ATTEMPT TO REACH AGREEMENT NAIROBI "WILL EITHER LEAD TO FAILURE OR BE BASED ON MISUNDERSTANDING." ON ROLE GOLD IN NEW SYSTEM, HE STATED "WE BELIEVE THERE IS NO REASON TO PREVENT GOLD FROM PLAYING ANY ROLE IN FUTURE WHICH NEW SYSTEM CHOOSES TO ASSIGN IT." HE ARGUED SYSTEM OF FLOATING CURRENCIES WOULD BE HARMFUL TO U.S. IN LONG RUN.

C. INTERNATIONAL TRADE SITUATION WILL RETURN TO NORMAL IN 1974. "THE ERA OF THE BIG DEFICITS IS COVER."

D. MULTINATIONAL TRADE NEGOTIATIONS. GISCARD NOTED THAT "EUROPE HADN'T ASKED FOR THESE NEGOTIATIONS, AND COULD DO VERY WELL WITHOUT THEM." THEIR RESULT WOULD NOT BE ZERO TARIFFS, BUT "JUST MODERATE AND RECIPROCAL CONCESSIONS".

GISCARD REPEATED IN A TELEVISION INTERVIEW JULY 13 THAT HE WOULD GO TO TOKYO, AS FRANCE HAS NO INTEREST IN PURSUING AN EMPTY-CHAIR POLICY. WHEN TIME FOR ACTUAL NEGOTIATIONS ARRIVES END 1973 OR EARLY 1974, FRANCE WILL DECIDE WHETHER INTERNATIONAL MONETARY CONDITIONS JUSTIFY OPENING OF THESE NEGOTIATIONS.IRWIN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973PARIS19395
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730731/aaaaawvo.tel
Line Count: 96
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 14 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Jan-2002 by phillir0>; APPROVED <14-Jan-2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FRANC REVALUATION, PROSPECTS ON MONETARY SITUATION AND TRADE NEGOTIATIONS
TAGS: EFIN, FR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005